GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3016
ANSWERED ON:14.03.2000
WITHDRAWAL OF SUBSIDY
C.P. RADHAKRISHNAN;VAIKO

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government propose to continue the subsidy on urea;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken by the Government to prevent companies for appropriating the subsidies to themselves and ensure that the benefits of subsidies is passed on to farmers;

(d) whether the farmers do not get the sufficient quantity of fertilizers in time;

(e) if so, the reasons therefor; and

(f) the steps proposed to be taken by the Government in this direction?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) to (c): The extent and quantum of subsidy on urea in medium term will be dependent upon the country's fiscal capacity on the one hand and making fertilizers available in adequate quantity to the farmers at a reasonable price on the other hand. The benefit of subsidy is passed on to the farmers in the form of a uniform and subsidised statutorily notified sale price which is far less than the cost of production.

(d) to (f): Urea is the only controlled fertilizer for which assessment and allocations are made State-wise. Urea supplies are arranged to the States as per the allocation on aggregate basis by the Government of India. The gap between the demand and indigenous production is bridged through imports. All other fertilizers have been decontrolled and their availability is contingent on market forces operating within the parameters of the Concession Schemes on sale of Phosphatic and Potassic fertilizers.

There have been no shortage of fertilizers reported by any State Government to the Department of Fertilizers.